

A Webinar, presented by the Department of Community
Services & Development for its Energy Services Providers

Contract Changes & New Policy Overview

January 20, 2011

Mark Your Calendars!

Please mark your calendars for these upcoming webinars.

Thursday, January 27:

Production, Priority Lists and Audits, 10 - 12

Wednesday, February 2:

Comprehensive Monitoring, 10:00 – 11:30

Things to Know

- CSD will mute all phones globally
- Q& A at the end of each presentation
- “Raise Your Hand” for Questions
- When called on, press *6 to unmute your phone



Today's Agenda

	Primary Speaker	Time Allotted
Introductions & Overview	Lynn Wiley	5 min
Contract Overview: DOE ARRA, DOE Regular, and 2010/2011 LIHEAP	Deanna Hampton	5 min
<i>Contract Overview Q&A</i>		10 min
Start-Up Package Overview: 2011 LIHEAP	Mary Rhine	10 min
<i>Start-up Package Q&A</i>		10 min
Advance Payment	Kathy Ely	10 min
<i>Advance Payment Q&A</i>		15 min
Post-Inspection Requirements	Kathy Ely	5 min
Unit Call Backs	Kathy Ely	5 min
<i>Call Back Q&A</i>		10 min
Buy American	Chuck Belk	5 min
<i>Buy American Q&A</i>		10 min

DOE ARRA, Regular DOE and 2010/2011 LIHEAP

Contract Changes



RECENT CONTRACT AMENDMENTS



- 2009 DOE WAP
- 2009 DOE WAP ARRA
- 2010 LIHEAP

FUNDING

- 2009 DOE WAP – 2010 PY Funds
- 2009 DOE WAP ARRA – 2nd Phase Funds
- 2010 LIHEAP – Funds added



PROGRAM/POLICY CHANGES

- Historic Preservation Reviews (formerly “SHPO”)
- Working Capital Advances
- Enforcement Provision – Noncompliance
- WX Training – Monitored field practice component
- New/Updated wx Measures
- Complaint Management
- Inventory Reconciliation



PROGRAM/POLICY CHANGES



- DOE WAP & DOE ARRA Only
 - 100% Post inspections
 - Update production & expenditure goals
 - New approved DOE Energy Audit/Priority Measure Protocols

- LIHEAP Only
 - ECIP/HEAP Budget – change to T&TA amount (from 2% to 5%)

2011 LIHEAP



- Anticipated Release
- Income eligibility: 60% of State median income
- T&TA: 5% of total WX budget, and 2% of total ECIP/HEAP budget
- Funding: Due to budget authority, only \$72 million released with initial contract.

2011 LIHEAP

Start-up Package Overview

What's New for PY 2011

- Income Guidelines.....60% State Median Income for PY2011
- Energy Intake Form (CSD 43)
- Declaration of No Income (CSD 43A)
- Revised procedure for processing applications without a social security number
- Countable and Non-Countable Income Chart
- Payment Tables

PY 2011 Income Guidelines

- Effective January 1, 2011 CSD will implement the use of 60% State Median Income (SMI) to determine income eligibility for clients receiving services for PY2011

NOTE: PY2010 income guidelines will remain at 75% SMI for the remainder of the 2010 contract

Energy Intake Form – CSD 43

- Agencies are required to use the revised CSD43 form (or contractors' approved equivalent) beginning January 1, 2011 for PY2011 & PY2010 clients

NOTE: CSD will allow a transition period of 30 days

Changes to the form include....

- Addition of DOE ARRA to the program choices (WX)
- Changed ApplicationID & JobID to Job Control Code (WX)
- Addition of Eligibility Cert Date (WX)
- Addition of a check box to use when mailing is the same as service address

Changes to the form....con't

- Addition of “19-59 (Adult)” to the demographics categories
- Combined Seasonal and Migrant Farm worker into one demographic category
- Addition of a field to capture how many household members receive income

Income Verification

- Income verification must fully support the total gross monthly income as stated on the intake form.
- Income verification must cover a one month period and be current within 6 weeks of intake.
- Paychecks must be consecutive and cover a one month period
- The formula for calculating income may only be used where it poses a true hardship for the client to provide all paystubs.
- Client must submit a signed written statement confirming the inability to provide the required income documentation and the hardship posed.

Declaration of No Income – CSD 43A

- CSD 43A or contractors equivalent is to be used for any adult member of the household claiming zero income

NOTE: Client files must contain income verification for each adult member of the household

Processing Applications Without an SSN

- CSD has revised the procedures for processing LIHEAP and DOE applications for clients that refuse to provide a social security number

It is the agency's responsibility to.....

- Confirm identity of client with any picture identification card. A copy of the picture identification card must be retained in the client file.

Processing Applications Without an SSN.....con't

Examples of acceptable forms of picture identification:

- Drivers license or state identification card
- Employee ID card
- School, library, bus pass etc.

Processing Applications Without an SSN.....con't

It is the agency's responsibility to.....

- Perform a local data base search using the following information:
 - First and Last Name
 - Service Address
 - Telephone Number
 - Utility Account Number
- If an application is located, agency should use the SSN from the previous application

Processing Applications Without an SSN.....con't

- If an application is not located in the local data base, the agency will fax the following documents to the Help Desk:
 - Completed Energy Intake form
 - Picture identification card
 - Utility bill

Processing Applications Without an SSN.....con't

It is the Help Desk's responsibility to.....

- Perform a secondary check of the system to confirm the need for a temporary SSN.
- If no match is found, the Help Desk will assign a temporary SSN and provide the agency the temporary SSN by fax.

NOTE: Once a temporary SSN has been assigned to a client, it will be used each time they apply for services.

Processing Applications Without an SSN.....con't

- Agency will complete the processing of the application using the temporary SSN and transfer the record in the standard manner

NOTE: CSD will no longer enter cash assistance applications when assigning temporary social security numbers

Countable & Non-Countable Income

Countable and Non-countable Income Chart

Income

Not all income received by a household is countable as part of the total household income.



Income Type	Definition	Yes	No
Adoption Assistance			X
Annuities, Pensions, Retirement		X	
Assistance payments	Retirement Survivor Disability Insurance, Supplemental Security Insurance (SSI), TANF, General Assistance, Cal Works	X	
Business income	Income from business, less business operational expenses	X	
Capital gains or losses	For self-employment only	X	
Cash gifts (regular basis)	Must provide regular support for an individual or for the family	X	
Declaration of personal income	Irregular income resulting from occasional sources such as yard work, childcare, collecting cans/bottles, donating blood/plasma	X	
Dividends, Interest & Royalties	If withdrawn	X	
Draw-down on assets			X
Earned income credit			X
Earned income for minors or K-12 students			X
Employer paid fringe benefits			X

Payment Tables

2011 HEAP and FAST TRACK BASE PAYMENT TABLE XXXXXX COUNTY

Household's Monthly Income & Heap and Fast Track Benefit Amounts

	Poverty Group I	Poverty Group II	Poverty Group III	Poverty Group IV	
HH Size					
1	\$0 - \$768.02	\$768.03 - \$993.65	\$993.66 - \$1174.15	\$1174.16 - \$2072.28	\$2072.29 AND ABOVE
Payment					NOT ELIGIBLE
2	\$0 - \$1033.25	\$1033.26 - \$1336.79	\$1336.80 - \$1579.63	\$1579.64 - \$2709.91	\$2709.92 AND ABOVE
Payment					NOT ELIGIBLE
3	\$0 - \$1298.48	\$1298.49 - \$1679.94	\$1679.95 - \$1985.10	\$1985.11 - \$3347.54	\$3347.55 AND ABOVE
Payment					NOT ELIGIBLE
4	\$0 - \$1563.71	\$1563.72 - \$2023.08	\$2023.09 - \$2390.58	\$2390.59 - \$3985.16	\$3985.17 AND ABOVE
Payment					NOT ELIGIBLE
5	\$0 - \$1828.94	\$1828.95 - \$2366.23	\$2366.24 - \$2796.06	\$2796.07 - \$4622.79	\$4622.80 AND ABOVE
Payment					NOT ELIGIBLE
6	\$0 - \$2094.16	\$2094.17 - \$2709.37	\$2709.38 - \$3201.54	\$3201.55 - \$5260.42	\$5260.43 AND ABOVE
Payment					NOT ELIGIBLE
7	\$0 - \$2359.39	\$2359.40 - \$3052.52	\$3052.53 - \$3607.02	\$3607.03 - \$5379.97	\$5379.98 AND ABOVE
Payment					NOT ELIGIBLE
8	\$0 - \$2624.62	\$2624.63 - \$3395.66	\$3395.67 - \$4012.50	\$4012.51 - \$5499.53	\$5499.54 AND ABOVE
Payment					NOT ELIGIBLE

Contact Information

- Should you have any questions regarding information contained in the start up package please do not hesitate to contact us.
- Albert Cobian – 916-576-7180
Help Desk
- Violet Perez – 916-576-7184
Help Desk
- Mary Rhine – 916-576-7186
Program Analyst
- Donald Williams – 916-576-7154
Program Manager

Advance Policy



Advance Policy



- CSD modified the Advance Payment provision based on a finding from the Bureau of State Audits -
 - Finding indicated that advance funds were not being liquidated timely.
 - Finding indicated that the amount of funds advanced must be the minimum amount needed.

Working Capital Advance (WCA)



- CSD developed new procedures called Working Capital Advance (WCA).
- The concept is to provide Contractors the option to request a quarterly WCA payment that is based on a third of the projected expenditures for that quarter.

How the WCA works



- Contractor has the option to –
 - Request a WCA for each quarter of the contract.
 - Request a WCA for any given quarter.
 - Not to request a WCA at all.

Benefits of WCA



- The WCA offers continuous advances throughout the contract term to assist Contractor with cash flow needs.
- The WCA can be used for any allowable expense under the contract.
- The WCA is flexible. Contractor may elect to use all the WCA funding in the first month to cover allowable expenses or they can spread it out over the three months in each quarter.

WCA Form 143



- Review WCA Form 143.
- Form 143 was developed to allow for contract terms up to two years.
- All energy contract projections will start with Quarter 1.

WCA Form 143



- Review Form 143.
- Contractor can request a WCA for any quarter during the life of the contract.
- Reasons for denial of the WCA can be:
 - Amount of WCA is more than $\frac{1}{3}$ of the quarter projected expenses
 - Contract is not fully executed
 - All expenditure reports must be submitted for that quarter

WCA Reconciliation



- WCA will be reconciled at the end of the Third Month of that Quarter. Example:
 - Month 1, contractor will receive WCA.
 - Month 2 , contractor will receive reimbursement for expenditures submitted in EARS.
 - Month 3, contractor will receive reimbursement for expenditures submitted in EARS, the advance will be reconciled, and 2nd quarter advance is processed.

WCA Reconciliation



Month 3 Scenarios:

- Scenario 1: Contractor's WCA is 100,000 and expenditures reported in EARS is 125,000 then contractor will receive their 2nd quarter WCA PLUS 25,000.
 - If the second quarter WCA was projected at 120,00 then Contractor would receive a total WCA of 145,000 (120,000 + 25,000).

WCA Reconciliation



Month 3 scenarios continued...

- Scenario 2: Contractor's WCA is 100,000 and expenditures reported in EARS is 90,000 then contractor's subsequent WCA is reduced by 10,000.
 - If the second quarter WCA was projected at 120,000 then contractor would receive a total WCA of 110,00 (120,000 – 10,000).

What If...



- Contractor does not request a WCA in the subsequent quarter?
- WCA is reconciled upon submission of the EARS expenditure report submitted for month 3 of that quarter:
 - Scenario 1: Contractor reports 100,000 in expenditures and the WCA is 100,000 then the WCA is liquidated and contractor receives no further reimbursement for that month.

What If...



- Scenario 2: Contractor reports 125,000 in EARS and the WCA is 100,000 then contractor will receive 25,000 in reimbursement.
- Scenario 3: Contractor reports 90,000 in EARS and the WCA is 100,000 then contractor will liquidate the advance by 90,000 and the next monthly report the advance will continue to be liquidated until paid in full.

Important



- Contractor must submit monthly reimbursement requests on time with adequate expenditures to ensure liquidation of the WCA is timely.
- Contractors that have outstanding WCA and submit zero expenditures will be contacted by CSD to establish a timely repayment.

Questions?



Any Questions?

If you have further questions after the webinar,
please contact:

Kathy Andry: kandry@csd.ca.gov

Post-Inspection Requirements

Post Inspection Guidance

- CSD would like to remind Contractors of the Post-Inspection Requirements as specified in ARRA Program Guidance No. 14 effective December 6, 2010 -
 - Contractors are required to complete 100% post-inspections on ALL units weatherized under DOE ARRA and DOE regular programs.

Post Inspection Contract Provisions

- The recent amendment to the DOE ARRA and DOE regular contracts revised the post-inspection provision to require 100% post inspections on ALL units.
- CSD made the provision retroactive and required Contractors to make every reasonable effort to complete post-inspections on ALL units by February 7, 2011.

Post-Inspection Compliance

- After February 7, 2011, CSD will evaluate the status of the post-inspection completion to determine if any Contractor remains substantially deficient.
- If so, CSD will contact the Contractor to make arrangements for CSD's third-party inspector to perform the inspection.

Post-Inspection Compliance

- If the third-party inspector discovers any deficiencies in the weatherization work , Contractor is responsible for associated costs.
- If Contractor is unable to remediate workmanship issues, CSD will disallow all project costs.

Call Backs

“Call Back”

- What is a “Call Back” –
 - It is when a Contractor goes back to a dwelling unit to perform additional weatherization work after the unit has received a post-inspection and has been reported to CSD as a completed unit.

DOE Guidance on “Call Backs”

- DOE issued recent guidance to states advising that as a general rule, contractors may not charge for additional work on DOE dwelling units that have already received a post inspection and were reported as completed.
- Contractors can charge the additional work to non-DOE funds.

DOE Guidance on “Call Backs”

- DOE states that Performing activities such as routine maintenance, repairs or warranty-type work is not permitted using DOE funds for work beyond those costs already invoiced.

“Call Backs” Exception

- DOE has created an exception process; however, that process is time consuming and requires adjusting the DOE reporting system, EARS, and ServTRAQ systems to remove the unit from the system and subtract associated costs.

Coming Soon – CSD's "Call Back" Policy

- CSD is working on a "Call Back" policy to advise Contractors on –
 - What constitutes a "call back"
 - When is an exception allowable
 - How is the exception processed
- Once the policy is finalized, it will sent out via email and posted to CSD's website.

Call Back Questions

- Any Questions?
- If you have additional questions on this topic after the webinar, please contact:
 - Lynn Wiley: lwiley@csd.ca.gov

Buy American



Buy American



- Buy American Recovery Act Policy- Overview
 - The Office of Energy Efficiency and Renewable Energy (EERE) received over \$16.8 billion in ARRA funds. These funds come with a dual mandate:
 - Stimulate the United States Economy
 - Advance clean energy and energy independence
 - In order to accomplish the 1st goal, the Recovery Act included “Buy American Provisions.”

Buy American



- Buy American Recovery Act Policy
 - The Buy American provision under the Recovery Act requires that unless:
 - One (1) of three (3) exceptions applies; and
 - DOE grants the project a waiver;
- Recovery funds **cannot** be used for the construction, alteration, maintenance or repair of a public building or public work unless all of the iron, steel and manufactured goods were produced in the United States.

Buy American



- What Qualifies as a Public Building or Work?
 - A public building or public work means a public building of, or a public work of, a governmental entity. (Federal, state, regional, local, etc.)
 - Federally recognized tribal governments are also considered governmental entities.

Buy American



- How is “public ownership” defined?
 - DOE advises that ownership will be the determinative factor when considering whether a building qualifies as a public building.
 - Federal, state or local govt. ownership of a building triggers the Buy American provision.
 - Some instances where a governmental entity does not have complete or direct ownership may still trigger the Buy American provision. DOE is expected to provide program guidance on this shortly.

Buy American



- Manufactured Goods
 - Defined as a good brought to the construction site for incorporation into a public building or work.
 - There is no requirement with regard to the origin of components or subcomponents in manufactured goods used in a project, as long as the good is manufactured or “substantially transformed” within the United States.

Buy American



- Guaranteeing U.S. Made Products
 - The responsibility for determining whether the good is manufactured in the United States rests with the Recovery Act financial assistance recipient. (Consult with your legal counsel if needed)
 - Recipients should include Buy American requirements in all solicitations, Requests for Proposals (RFPs), agreements and sub-agreements.

Buy American



- Guaranteeing U.S. Made Products
 - It is the recipient's responsibility to ensure that all documentation that proves compliance with the Buy American provisions or demonstrates substantial transformation of a product are retained for audit purposes.

Further guidance on manufactured goods can be found at:

http://www1.eere.energy.gov/recovery/pdfs/eere_buy_american_documentation_guidance.pdf

Buy American



- Recovery Act Exceptions and Waivers
 1. If applying the Recovery Act provisions would be inconsistent with the public interest.
 2. If the iron, steel or relevant manufactured goods are not produced in the U.S. in sufficient and reasonably available quantities.
 3. If the iron, steel or manufactured goods produced in the U.S. will increase the overall cost of the project by 25 percent.

Further guidance on exceptions and waivers can be found at:

http://www1.eere.energy.gov/recovery/pdfs/eere_program_guidance_buy_american.pdf

Buy American



- In Summary:
 - Buy American provisions apply if performing weatherization work on public buildings.
 - If Buy American provisions are triggered, manufactured goods must be produced or substantially transformed within the U.S.
 - It is the recipient's (energy service provider) responsibility to verify that products are manufactured in the U.S.
 - There are three (3) exceptions / waivers to the Recovery Act – DOE must approve all waiver requests.
 - CSD policy regarding Buy American is being formulated and will be posted when complete.


Further Information Available at the following link:

http://www1.eere.energy.gov/recovery/buy_american_provision.html

Post-Webinar

- If you have questions on a specific topic that remain unanswered after today's webinar, please contact the presenter.
- This webinar and associated documents will be posted to CSD's web site later today:

Energy Programs

 Subsc

ANNOUNCEMENTS

[Who's My Field Rep?](#) - Not sure who your field rep is? This document will tell you. These Field rep assignments are effective as of January 18, 2011.

LIHEAP CONTRACTS	DOE CONTRACTS	REFERENCES
2010 LIHEAP Contract	2009 DOE Contract	CSD Energy Forms
2009 LIHEAP Contract	2009 DOE ARRA Contract	CSD Energy Policies
2008 LIHEAP Contract	2008 DOE Contract	CSD Energy State Plans
2007 LIHEAP Contract	2008 DOE Close-Out Report	Contract References, Laws, Regulations
2009 LIHEAP Close-Out Report	2007 DOE Contract	DOE WAP ARRA Guidance
2008 LIHEAP Close-Out Report		DOE Standard Guidance
2007 LIHEAP Close-Out Report		LIHEAP Guidance
2006 LIHEAP Close-Out Report		Training (under construction)